

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 STR-06 CEA-01
OES-07 DOE-11 SOE-02 NRC-05 ACDA-12 IO-13 /143 W
-----041932 271750Z /50

R 261312Z JAN 78
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 2852
INFO AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY HELSINKI
AMEMBASSY MOSCOW
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK

C O N F I D E N T I A L STOCKHOLM 0333

USEEC

USOECD

E.O. 11652: GDS
TAGS: EGEN, ECON, SW
SUBJ: AMBASSADOR'S LUNCHEON WITH MINISTER OF INDUSTRY

REF:(A) STATE 6799, (B) STOCKHOLM 165, (C) STOCKHOLM 298

1. I LUNCHEONED WITH NILS ASLING, MINISTER OF INDUSTRY, ON JANUARY 25. IN THE COURSE OF OUR CORDIAL CONVERSATION CERTAIN POINTS WERE EMPHASIZED BY THE MINISTER AND HIS STAFF RELEVANT TO OUR BILATERAL RELATIONS.

2. ENERGY. THE MINISTER IS ONE OF SWEDEN'S TOP OFFICIALS
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DIRECTLY AND DEEPLY INVOLVED IN A CURRENT DEBATE ON THE FUTURE OF NUCLEAR POWER IN SWEDEN. HIS SUBORDINATE, OLOF JOHANSSON, MINISTER FOR ENERGY, AND THE PRIME MINISTER, BOTH, AS IS ASLING, MEMBERS OF THE CENTER PARTY, ARE GENERALLY OPPOSED TO THE EXPANSION OF NUCLEAR POWER HERE, WHILE MOST OTHER MINISTERS ARE IN FAVOR OF IT. ASLING CAREFULLY DECLINED TO MAKE HIS OWN VIEWS KNOWN, BUT IN THE COURSE OF OUR TALK ABOUT ENERGY

HE AFFIRMED HIS ADMIRATION FOR PRESIDENT CARTER'S EFFORTS TO PROVIDE AN ENERGY PROGRAM FOR THE US. THE EXAMPLE, AND THE SUBSTANCE, OF THE PRESIDENT'S PROPOSED PROGRAM IS IMPORTANT TO SWEDEN AND CLOSELY FOLLOWED, HE SAID. I SAID IN MY PERSONAL VIEW THE PRESIDENT MIGHT GET ALL THAT HE WISHES AND GAVE A PERSONAL ANALYSIS OF WHY. ASLING, NONETHELESS, EXPRESSED THE HOPE THAT A US PROGRAM WOULD EMERGE VERY SOON, EVEN THOUGH LESS THAN THE PRESIDENT'S EARLIER PROPOSALS.

3. THE DOLLAR. ASLING RAISED THE QUESTION OF THE RECENT DECLINE OF THE DOLLAR VIS-A-VIS CERTAIN OTHER CURRENCIES WHICH CLEARLY WAS OF MAJOR CONCERN. THE DECLINE HAS CUT THE EFFECTIVENESS OF THE SWEDISH KRONOR DEVALUATION OF LAST AUGUST BY AT LEAST ONE-HALF, THE MINISTER SAID. (I RECALL THAT WHEN SWEDEN LEFT THE SNAKE IN AUGUST IT SET THE KRONOR VALUE IN RELATION TO A BASKET OF CURRENCIES, IN WHICH THE DOLLAR HAS A 12 PERCENT WEIGHT.) IN PARTICULAR HE REFERRED TO THE ADVERSE EFFECTS ON SWEDEN'S EXPORTS OF PULP AND PAPER WHERE CONTRACTS ARE DOLLAR DENOMINATED. HE EXPRESSED DEEP APPRECIATION FOR PRESIDENT CARTER'S STATEMENTS CONCERNING THE SUPPORT OF THE DOLLAR, BUT HE VERY FORTHRIGHTLY EXPRESSED THE THOUGHT THAT MORE SHOULD BE DONE. THE MINISTER USED THIS ILLUSTRATION TO REMIND ME THAT SWEDEN, LIKE MANY OTHER SMALLER COUNTRIES, IS VERY MUCH AFFECTED BY THE POLICIES UNDERTAKEN BY THE US IN THE FIELD OF INTERNATIONAL TRADE AND FINANCE.

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4. SWEDISH CONTRACT WITH POLAND FOR NUMERICAL CONTROLS. STEN NIKLASSON, DIRECTOR OF THE INTERNATIONAL SECRETARIAT OF THE MINISTRY, WAS PRESENT, AND IN THE COURSE OF EXPLAINING SWEDEN'S KEEN INTEREST IN POSSIBLE CHANGES IN US EXPORT CONTROLS, RAISED AGAIN HIS OPPOSITION TO FURTHER DISCUSSION BETWEEN THE TWO GOVERNMENTS ON THE NUMERICAL CONTROLS (NUCON 400) CONTRACT WHICH ASEA HAS WITH THE POLISH GOVERNMENT. NIKLASSON SAID IT WAS UNFORTUNATE THAT IN SECRETARY GENERAL LEIF LEIFLAND'S CONVERSATIONS IN DECEMBER IN THE DEPARTMENT OF DEFENSE (REFS A AND B) THERE SEEMED TO BE SOME GIVE IN THE SWEDISH POSITION. THERE IS NO INCLINATION TO REOPEN THE CASE ON THE PART OF THE SWEDES, HE SAID. THE MINISTER THEN INDICATED HIS AGREEMENT WITH NIKLASSON'S REMARKS, WHICH I FIND TO BE AN OFFICIAL ENDORSEMENT OF WHAT NIKLASSON HAD PREVIOUSLY SAID WERE HIS "INFORMAL" VIEWS.

5. VISIT TO THE USSR. ASLING HAD JUST RETURNED FROM A MEETING IN THE SOVIET UNION, ONE OF THE SEMI-ANNUAL MEETINGS TO IMPLEMENT THE SOVIET-SWEDISH JOINT COOPERATION AGREEMENT. HE HAD LITTLE TO ADD TO WHAT WE HAVE REPORTED SEPARATELY (REF C), BUT HE HAD BEEN MOST INTERESTED IN THE DELEGATION'S VISIT TO THE AUTONOMOUS SOVIET REPUBLIC OF LOMI. THE SWEDES

HAD ASKED FOR THIS OPPORTUNITY, AS THE KOMI REPUBLIC HAS FOREST AND MINING RESOURCES WHERE SWEDEN'S SKILLS MIGHT HAVE APPLICATION. ASLING NOTED THE USUAL PROBLEMS OF PAYMENT FOR SWEDISH EXPORTS, AND REFERRED TO SOVIET INTEREST IN BARTER PAYMENT ARRANGEMENTS WHICH HE OBVIOUSLY FOUND CUMBERSOME, IF NOT IMPOSSIBLE.

6. I AM FORWARDING SOME ADDITIONAL DETAIL BY MEMCON.
KENNEDY-MINOTT

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NNN

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